



General Assembly

February Session, 2004

**Amendment**

LCO No. 3601

\*HB0502103601HDO\*

Offered by:

REP. LYONS, 146<sup>th</sup> Dist.

REP. AMANN, 118<sup>th</sup> Dist.

REP. O'ROURKE, 32<sup>nd</sup> Dist.

To: Subst. House Bill No. 5021

File No. 602

Cal. No. 71

**"AN ACT MAKING CERTAIN REFORMS UNDER THE STATE  
CODES OF ETHICS."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective from passage*) (a) Any public official or  
4 state employee who establishes a legal defense fund, or for whom a  
5 legal defense fund has been established, shall file a report on said fund  
6 with the State Ethics Commission not later than the tenth day of  
7 January, April, July and October. Each such report shall include the  
8 following information for the preceding calendar quarter: (1) The  
9 names of the directors and officers of the fund, (2) the name of the  
10 depository institution for the fund, (3) an itemized accounting of each  
11 contribution to the fund, including the full name and complete address  
12 of each contributor and the amount of the contribution, and (4) an  
13 itemized accounting of each expenditure, including the full name and  
14 complete address of each payee and the amount and purpose of the

15 expenditure. The public official or state employee shall sign each such  
16 report under penalty of false statement.

17 (b) (1) In addition to the prohibitions on gifts under subsections (j)  
18 and (m) of section 1-84 of the general statutes, as amended, and  
19 subsection (a) of section 1-97 of the general statutes, no public official  
20 or state employee shall accept, directly or indirectly, any contribution  
21 to a legal defense fund established by or for the public official or state  
22 employee, from (A) a member of the immediate family of any person  
23 who is prohibited from giving a gift under subsection (j) or (m) of  
24 section 1-84 of the general statutes, as amended, or subsection (a) of  
25 section 1-97 of the general statutes, or (B) a person who is appointed by  
26 said public official or state employee to serve on a paid, full-time basis.  
27 No person described in subparagraph (A) or (B) of this subdivision  
28 shall make a contribution to such a legal defense fund, and no such  
29 person or any person prohibited from making a gift under subsection  
30 (j) or (m) of section 1-84 of the general statutes, as amended, or  
31 subsection (a) of section 1-97 of the general statutes shall solicit a  
32 contribution for such a legal defense fund.

33 (2) A public official or state employee may accept a contribution or  
34 contributions to a legal defense fund established by or for the public  
35 official or state employee from any other person, provided the total  
36 amount of such contributions from any such person in any calendar  
37 year shall not exceed one thousand dollars. No such person shall make  
38 a contribution or contributions to said legal defense fund exceeding  
39 one thousand dollars in any calendar year.

40 (3) Notwithstanding the provisions of subdivision (2) of this  
41 subsection, a public official or state employee may accept a  
42 contribution or contributions, in any amount, to a legal defense fund  
43 established by or for the public official or state employee from a  
44 relative of the public official or state employee or a person whose  
45 relationship with the public official or state employee is not dependent  
46 on the official's or employee's status as a public official or state  
47 employee. The factors that the State Ethics Commission shall consider

48 in determining whether a person's relationship is so dependent shall  
49 include, but not be limited to, whether the person may be able to  
50 benefit from the exercise of official authority of the public official or  
51 state employee and whether the person made gifts to the public official  
52 or state employee before the official or employee began serving in such  
53 office or position.

54 Sec. 2. Section 1-79 of the general statutes is repealed and the  
55 following is substituted in lieu thereof (*Effective from passage*):

56 The following terms, when used in this part and section 1 of this act,  
57 shall have the following meanings unless the context otherwise  
58 requires:

59 (a) "Blind trust" means a trust established by a public official or state  
60 employee or member of his immediate family for the purpose of  
61 divestiture of all control and knowledge of assets.

62 (b) "Business with which he is associated" means any sole  
63 proprietorship, partnership, firm, corporation, trust or other entity  
64 through which business for profit or not for profit is conducted in  
65 which the public official or state employee or member of his  
66 immediate family is a director, officer, owner, limited or general  
67 partner, beneficiary of a trust or holder of stock constituting five per  
68 cent or more of the total outstanding stock of any class, provided, a  
69 public official or state employee, or member of his immediate family,  
70 shall not be deemed to be associated with a not for profit entity solely  
71 by virtue of the fact that the public official or state employee or  
72 member of his immediate family is an unpaid director or officer of the  
73 not for profit entity. "Officer" refers only to the president, executive or  
74 senior vice president or treasurer of such business.

75 (c) "Candidate for public office" means any individual who has filed  
76 a declaration of candidacy or a petition to appear on the ballot for  
77 election as a public official, or who has raised or expended money in  
78 furtherance of such candidacy, or who has been nominated for  
79 appointment to serve as a public official, but shall not include a

80 candidate for the office of senator or representative in Congress.

81 (d) "Commission" means the State Ethics Commission established in  
82 section 1-80, as amended.

83 (e) "Gift" means anything of value, which is directly and personally  
84 received, unless consideration of equal or greater value is given in  
85 return. "Gift" shall not include:

86 (1) A political contribution otherwise reported as required by law or  
87 a donation or payment as described in subdivision (9) or (10) of  
88 subsection (b) of section 9-333b;

89 (2) Services provided by persons volunteering their time;

90 (3) A commercially reasonable loan made on terms not more  
91 favorable than loans made in the ordinary course of business;

92 (4) A gift received from (A) an individual's spouse, fiance or fiancée,  
93 (B) the parent, brother or sister of such spouse or such individual, or  
94 (C) the child of such individual or the spouse of such child;

95 (5) Goods or services (A) which are provided to the state (i) for use  
96 on state property, or (ii) to support an event or the participation by a  
97 public official or state employee at an event, and (B) which facilitate  
98 state action or functions. As used in this subdivision, "state property"  
99 means (i) property owned by the state, or (ii) property leased to an  
100 agency in the Executive or Judicial Department of the state;

101 (6) A certificate, plaque or other ceremonial award costing less than  
102 one hundred dollars;

103 (7) A rebate, discount or promotional item available to the general  
104 public;

105 (8) Printed or recorded informational material germane to state  
106 action or functions;

107 (9) Food or beverage or both, costing less than fifty dollars in the

108 aggregate per recipient in a calendar year, and consumed on an  
109 occasion or occasions at which the person paying, directly or  
110 indirectly, for the food or beverage, or his representative, is in  
111 attendance;

112 (10) Food or beverage or both, costing less than fifty dollars per  
113 person and consumed at a publicly noticed legislative reception to  
114 which all members of the General Assembly are invited and which is  
115 hosted not more than once in any calendar year by a lobbyist or  
116 business organization. For the purposes of such limit, (A) a reception  
117 hosted by a lobbyist who is an individual shall be deemed to have also  
118 been hosted by the business organization which he owns or is  
119 employed by, and (B) a reception hosted by a business organization  
120 shall be deemed to have also been hosted by all owners and employees  
121 of the business organization who are lobbyists. In making the  
122 calculation for the purposes of such fifty-dollar limit, the donor shall  
123 divide the amount spent on food and beverage by the number of  
124 persons whom the donor reasonably expects to attend the reception;

125 (11) Food or beverage or both, costing less than fifty dollars per  
126 person and consumed at a publicly noticed reception to which all  
127 members of the General Assembly from a region of the state are  
128 invited and which is hosted not more than once in any calendar year  
129 by a lobbyist or business organization. For the purposes of such limit,  
130 (A) a reception hosted by a lobbyist who is an individual shall be  
131 deemed to have also been hosted by the business organization which  
132 he owns or is employed by, and (B) a reception hosted by a business  
133 organization shall be deemed to have also been hosted by all owners  
134 and employees of the business organization who are lobbyists. In  
135 making the calculation for the purposes of such fifty-dollar limit, the  
136 donor shall divide the amount spent on food and beverage by the  
137 number of persons whom the donor reasonably expects to attend the  
138 reception. As used in this subdivision, "region of the state" means the  
139 established geographic service area of the organization hosting the  
140 reception;

141 (12) A gift, including but not limited to, food or beverage or both,  
142 provided by an individual for the celebration of a major life event;

143 (13) Gifts costing less than one hundred dollars in the aggregate or  
144 food or beverage provided at a hospitality suite at a meeting or  
145 conference of an interstate legislative association, by a person who is  
146 not a registrant or is not doing business with the state of Connecticut;

147 (14) Admission to a charitable or civic event, including food and  
148 beverage provided at such event, but excluding lodging or travel  
149 expenses, at which a public official or state employee participates in  
150 his official capacity, provided such admission is provided by the  
151 primary sponsoring entity;

152 (15) Anything of value provided by an employer of (A) a public  
153 official, (B) a state employee, or (C) a spouse of a public official or state  
154 employee, to such official, employee or spouse, provided such benefits  
155 are customarily and ordinarily provided to others in similar  
156 circumstances; or

157 (16) Anything having a value of not more than ten dollars, provided  
158 the aggregate value of all things provided by a donor to a recipient  
159 under this subdivision in any calendar year shall not exceed fifty  
160 dollars.

161 (f) "Immediate family" means any spouse, children or dependent  
162 relatives who reside in the individual's household.

163 (g) "Individual" means a natural person.

164 (h) "Member of an advisory board" means any individual (1)  
165 appointed by a public official as an advisor or consultant or member of  
166 a committee, commission or council established to advise, recommend  
167 or consult with a public official or branch of government or committee  
168 thereof, (2) who receives no public funds other than per diem  
169 payments or reimbursement for his actual and necessary expenses  
170 incurred in the performance of his official duties, and (3) who has no

171 authority to expend any public funds or to exercise the power of the  
172 state.

173 (i) "Person" means an individual, sole proprietorship, trust,  
174 corporation, limited liability company, union, association, firm,  
175 partnership, committee, club or other organization or group of  
176 persons.

177 (j) "Political contribution" has the same meaning as in section 9-333b  
178 except that for purposes of this part, the provisions of subsection (b) of  
179 that section shall not apply.

180 (k) "Public official" means any state-wide elected officer, any  
181 member or member-elect of the General Assembly, any person  
182 appointed to any office of the legislative, judicial or executive branch  
183 of state government by the Governor or an appointee of the Governor,  
184 with or without the advice and consent of the General Assembly, any  
185 public member or representative of the teachers' unions or state  
186 employees' unions appointed to the Investment Advisory Council  
187 pursuant to subsection (a) of section 3-13b, any person appointed or  
188 elected by the General Assembly or by any member of either house  
189 thereof, and any member or director of a quasi-public agency, but shall  
190 not include a member of an advisory board, a judge of any court either  
191 elected or appointed or a senator or representative in Congress.

192 (l) "Quasi-public agency" means the Connecticut Development  
193 Authority, Connecticut Innovations, Incorporated, Connecticut Health  
194 and Education Facilities Authority, Connecticut Higher Education  
195 Supplemental Loan Authority, Connecticut Housing Finance  
196 Authority, Connecticut Housing Authority, Connecticut Resources  
197 Recovery Authority, Connecticut Hazardous Waste Management  
198 Service, Lower Fairfield County Convention Center Authority, Capital  
199 City Economic Development Authority, [and] Connecticut Port  
200 Authority, Connecticut Lottery Corporation, Bradley Board of  
201 Directors and Tweed-New Haven Airport Authority and The  
202 University of Connecticut Health Center Finance Corporation.

203 (m) "State employee" means any employee in the executive,  
204 legislative or judicial branch of state government, whether in the  
205 classified or unclassified service and whether full or part-time, and any  
206 employee of a quasi-public agency, but shall not include a judge of any  
207 court, either elected or appointed.

208 (n) "Trust" means a trust in which any public official or state  
209 employee or member of his immediate family has a present or future  
210 interest which exceeds ten per cent of the value of the trust or exceeds  
211 fifty thousand dollars, whichever is less, but shall not include blind  
212 trusts.

213 (o) "Business organization" means a sole proprietorship,  
214 corporation, limited liability company, association, firm or partnership,  
215 other than a client lobbyist, which is owned by, or employs, one or  
216 more individual lobbyists.

217 (p) "Client lobbyist" means a person on behalf of whom lobbying  
218 takes place and who makes expenditures for lobbying and in  
219 furtherance of lobbying.

220 (q) "Necessary expenses" means a public official's or state  
221 employee's expenses for an article, appearance or speech or for  
222 participation at an event, in his official capacity, which shall be limited  
223 to necessary travel expenses, lodging for the nights before, of and after  
224 the appearance, speech or event, meals and any related conference or  
225 seminar registration fees.

226 (r) "Lobbyist" and "registrant" shall be construed as defined in  
227 section 1-91.

228 (s) "Legal defense fund" means a fund established for the payment  
229 of legal expenses of a public official or state employee incurred as a  
230 result of defending himself or herself in an administrative, civil,  
231 criminal or constitutional proceeding concerning matters related to the  
232 official's or employee's service or employment with the state or a  
233 quasi-public agency.



234 Sec. 3. Section 1-82 of the general statutes is repealed and the  
235 following is substituted in lieu thereof (*Effective from passage*):

236 (a) (1) Upon the complaint of any person on a form prescribed by  
237 the commission, signed under penalty of false statement, or upon its  
238 own complaint, the commission shall investigate any alleged violation  
239 of this part or section 1 of this act. Not later than five days after the  
240 receipt or issuance of such complaint, the commission shall provide  
241 notice of such receipt or issuance and a copy of the complaint by  
242 registered or certified mail to any respondent against whom such  
243 complaint is filed and shall provide notice of the receipt of such  
244 complaint to the complainant. When the commission undertakes an  
245 evaluation of a possible violation of this part or section 1 of this act  
246 prior to the filing of a complaint by the commission, the subject of the  
247 evaluation shall be notified within five business days after a  
248 commission staff member's first contact with a third party concerning  
249 the matter.

250 (2) In the conduct of its investigation of an alleged violation of this  
251 part, the commission shall have the power to hold hearings, administer  
252 oaths, examine witnesses, receive oral and documentary evidence,  
253 subpoena witnesses under procedural rules adopted by the  
254 commission as regulations in accordance with the provisions of  
255 chapter 54 to compel attendance before the commission and to require  
256 the production for examination by the commission of any books and  
257 papers which the commission deems relevant in any matter under  
258 investigation or in question. In the exercise of such powers, the  
259 commission may use the services of the state police, who shall provide  
260 the same upon the commission's request. The commission shall make a  
261 record of all proceedings conducted pursuant to this subsection. Any  
262 witness summoned before the commission shall receive the witness fee  
263 paid to witnesses in the courts of this state. During the investigation  
264 the respondent shall have the right to appear and be heard and to offer  
265 any information which may tend to clear him of probable cause to  
266 believe he has violated any provision of this part or section 1 of this  
267 act. The respondent shall also have the right to be represented by legal

268 counsel and to examine and cross-examine witnesses. Not later than  
269 ten days prior to the commencement of any hearing conducted  
270 pursuant to this subsection, the commission shall provide the  
271 respondent with a list of its intended witnesses. The commission shall  
272 make no finding that there is probable cause to believe the respondent  
273 is in violation of any provision of this part or section 1 of this act  
274 except upon the concurring vote of four of its members.

275 (b) If a preliminary investigation indicates that probable cause exists  
276 for the violation of a provision of this part or section 1 of this act, the  
277 commission shall initiate hearings to determine whether there has been  
278 a violation of this part or section 1 of this act. A judge trial referee, who  
279 shall be assigned by the Chief Court Administrator and who shall be  
280 compensated in accordance with section 52-434 out of funds available  
281 to the commission, shall preside over such hearing and shall rule on all  
282 matters concerning the application of the rules of evidence, which shall  
283 be the same as in judicial proceedings. The trial referee shall have no  
284 vote in any decision of the commission. All hearings of the commission  
285 held pursuant to this subsection shall be open. At such hearing the  
286 commission shall have the same powers as under subsection (a) of this  
287 section and the respondent shall have the right to be represented by  
288 legal counsel, the right to compel attendance of witnesses and the  
289 production of books, documents, records and papers and to examine  
290 and cross-examine witnesses. Not later than ten days prior to the  
291 commencement of any hearing conducted pursuant to this subsection,  
292 the commission shall provide the respondent with a list of its intended  
293 witnesses. The judge trial referee shall, while engaged in the discharge  
294 of his duties as provided in this subsection, have the same authority as  
295 is provided in section 51-35 over witnesses who refuse to obey a  
296 subpoena or to testify with respect to any matter upon which such  
297 witness may be lawfully interrogated, and may commit any such  
298 witness for contempt for a period no longer than thirty days. The  
299 commission shall make a record of all proceedings pursuant to this  
300 subsection. The commission shall find no person in violation of any  
301 provision of this part or section 1 of this act except upon the

302 concurring vote of five of its members. Not later than fifteen days after  
303 the public hearing conducted in accordance with this subsection, the  
304 commission shall publish its finding and a memorandum of the  
305 reasons therefor. Such finding and memorandum shall be deemed to  
306 be the final decision of the commission on the matter for the purposes  
307 of chapter 54. The respondent, if aggrieved by the finding and  
308 memorandum, may appeal therefrom to the Superior Court in  
309 accordance with the provisions of section 4-183.

310 (c) If the commission finds, after a hearing pursuant to this section,  
311 that there is no probable cause to believe that a public official or state  
312 employee has violated a provision of this part or section 1 of this act or  
313 that a public official or state employee has not violated any such  
314 provision, or if a court of competent jurisdiction overturns a finding by  
315 the commission of a violation by such a respondent, the state shall pay  
316 the reasonable legal expenses of the respondent as determined by the  
317 Attorney General or by the court if appropriate. If any complaint  
318 brought under the provisions of this part or section 1 of this act is  
319 made with the knowledge that it is made without foundation in fact,  
320 the respondent shall have a cause of action against the complainant for  
321 double the amount of damage caused thereby and if the respondent  
322 prevails in such action, he may be awarded by the court the costs of  
323 such action together with reasonable attorneys' fees.

324 (d) No complaint may be made under this section except within  
325 three years next after the violation alleged in the complaint has been  
326 committed.

327 (e) No person shall take or threaten to take official action against an  
328 individual for such individual's disclosure of information to the  
329 commission under the provisions of this part. After receipt of  
330 information from an individual under the provisions of this part, the  
331 commission shall not disclose the identity of such individual without  
332 his consent unless the commission determines that such disclosure is  
333 unavoidable during the course of an investigation.

334 Sec. 4. Section 1-88 of the general statutes is repealed and the  
335 following is substituted in lieu thereof (*Effective from passage*):

336 (a) The commission, upon a finding made pursuant to section 1-82,  
337 as amended by this act, that there has been a violation of any provision  
338 of this part or section 1 of this act, shall have the authority to order the  
339 violator to do any or all of the following: (1) Cease and desist the  
340 violation of this part or section 1 of this act; (2) file any report,  
341 statement or other information as required by this part or section 1 of  
342 this act; and (3) pay a civil penalty of not more than two thousand  
343 dollars for each violation of this part or section 1 of this act.

344 (b) Notwithstanding the provisions of subsection (a) of this section,  
345 the commission may, after a hearing conducted in accordance with  
346 sections 4-176e to 4-184, inclusive, upon the concurring vote of five of  
347 its members, impose a civil penalty not to exceed ten dollars per day  
348 upon any individual who fails to file any report, statement or other  
349 information as required by this part or section 1 of this act. Each  
350 distinct violation of this subsection shall be a separate offense and in  
351 case of a continued violation, each day thereof shall be deemed a  
352 separate offense. In no event shall the aggregate penalty imposed for  
353 such failure to file exceed two thousand dollars.

354 (c) The commission may also report its finding to the Chief State's  
355 Attorney for any action deemed necessary. The commission, upon a  
356 finding made pursuant to section 1-82 that a member or member-elect  
357 of the General Assembly has violated any provision of part I of chapter  
358 10, shall notify the appropriate house of the General Assembly, in  
359 writing, of its finding and the basis for such finding.

360 (d) Any person who knowingly acts in his financial interest in  
361 violation of section 1-84, as amended, 1-85, [or] 1-86 or section 1 of this  
362 act or any person who knowingly receives a financial advantage  
363 resulting from a violation of any of said sections shall be liable for  
364 damages in the amount of such advantage. If the commission  
365 determines that any person may be so liable, it shall immediately

366 inform the Attorney General of that possibility.

367 (e) Any employee or member of the commission who, in violation of  
368 this part, discloses information filed in accordance with subparagraph  
369 (B) or subparagraph (F) of subdivision (1) of subsection (b) of section 1-  
370 83, shall be dismissed, if an employee, or removed from the  
371 commission, if a member.

372 Sec. 5. Section 1-89 of the general statutes is repealed and the  
373 following is substituted in lieu thereof (*Effective from passage*):

374 (a) Any person who intentionally violates any provision of this part  
375 or section 1 of this act shall be imprisoned for a term not to exceed one  
376 year or shall be fined an amount not to exceed two thousand dollars,  
377 or both, provided no person may be found guilty of a violation of  
378 subsection (f) or (g) of section 1-84, as amended, and bribery or bribe  
379 receiving under section 53a-147, as amended, or 53a-148, as amended,  
380 upon the same incident, but such person may be charged and  
381 prosecuted for all or any of such offenses upon the same information.

382 (b) The penalties prescribed in this part shall not limit the power of  
383 either house of the legislature to discipline its own members or  
384 impeach a public official, and shall not limit the power of agencies or  
385 commissions to discipline their officials or employees.

386 (c) The Attorney General may bring a civil action against any person  
387 who may be liable for damages under the provisions of subsection (d)  
388 of section 1-88, as amended by this act. In any such action, the  
389 Attorney General may, in the discretion of the court, recover additional  
390 damages in an amount not exceeding twice the amount of the actual  
391 damages.

392 (d) Any fines, penalties or damages paid, collected or recovered  
393 under section 1-88, as amended by this act, or this section for a  
394 violation of any provision of this part or section 1 of this act applying  
395 to the office of the Treasurer shall be deposited on a pro rata basis in  
396 any trust funds, as defined in section 3-13c, affected by such violation.

397       Sec. 6. (NEW) (*Effective July 1, 2004*) (a) Notwithstanding any  
398 provision of the general statutes, the appropriations recommended for  
399 the State Ethics Commission, as established in section 1-80 of the  
400 general statutes, as amended by this act, shall be the estimates of  
401 expenditure requirements transmitted to the Secretary of the Office of  
402 Policy and Management by the executive director of the commission  
403 and the recommended adjustments and revisions of such estimates  
404 shall be the recommended adjustments and revisions, if any,  
405 transmitted by said executive director to the Office of Policy and  
406 Management.

407       (b) Notwithstanding any provision of the general statutes, the  
408 Governor shall not reduce allotment requisitions or allotments in force  
409 concerning the State Ethics Commission.

410       Sec. 7. (NEW) (*Effective July 1, 2004*) (a) Notwithstanding any  
411 provision of the general statutes, the appropriations recommended for  
412 the State Elections Enforcement Commission, as established in section  
413 9-7a of the general statutes, shall be the estimates of expenditure  
414 requirements transmitted to the Secretary of the Office of Policy and  
415 Management by the executive director of the commission and the  
416 recommended adjustments and revisions of such estimates shall be the  
417 recommended adjustments and revisions, if any, transmitted by said  
418 executive director to the Office of Policy and Management.

419       (b) Notwithstanding any provision of the general statutes, the  
420 Governor shall not reduce allotment requisitions or allotments in force  
421 concerning the State Elections Enforcement Commission.

422       Sec. 8. (NEW) (*Effective July 1, 2004*) (a) Notwithstanding any  
423 provision of the general statutes, the appropriations recommended for  
424 the Freedom of Information Commission, as established in section 1-  
425 205 of the general statutes, shall be the estimates of expenditure  
426 requirements transmitted to the Secretary of the Office of Policy and  
427 Management by the executive director of the commission and the  
428 recommended adjustments and revisions of such estimates shall be the

429 recommended adjustments and revisions, if any, transmitted by said  
430 executive director to the Office of Policy and Management.

431 (b) Notwithstanding any provision of the general statutes, the  
432 Governor shall not reduce allotment requisitions or allotments in force  
433 concerning the Freedom of Information Commission."

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>
Sec. 5	<i>from passage</i>
Sec. 6	<i>July 1, 2004</i>
Sec. 7	<i>July 1, 2004</i>
Sec. 8	<i>July 1, 2004</i>